

PERFORMANCE BASED AGREEMENT

Between

TRADOC- US Army Armor Center (USAARMC)
AMC- US Army Tank-automotive and Armaments Command (TACOM), and
IMA- Fort Knox Garrison Command
for the Fleet Management Initiative Pilot Program

1. Introduction.

The U.S. Army is undergoing significant changes as it transforms its operations, business processes, and organizations. The Fleet Management Initiative (FMI) pilot program at Fort Knox is focused on two of these elements: business processes and organizations. FMI at Fort Knox was started in February 2003 as a joint AMC/TRADOC project at the direction of the Commanding General, AMC and the Commanding General, TRADOC. The concept is to determine if TACOM can improve the overall condition of the training base fleet at Fort Knox, meet training requirements, and at an equal or lesser cost by forming a more direct link between the installation daily supply and maintenance activities and TACOM. The long-term goal is to determine if the transfer of fleet management responsibility to TACOM is warranted after completion of the pilot program.

2. Objective.

The objective of this Performance Based Agreement (PBA) is to formalize the metrics and the FMI pilot program at Fort Knox. The metrics will be used in the decision making process to determine potential permanent transfer of the missions to TACOM.

3. Scope.

3.1 Mission: TACOM assumed responsibility for providing supply support (Class I (distribution-MRE); Class II (minus CIF & CHIP); CL III (B/P), CL IV, CL V, CL VII, and CL IX including hazardous materiel management; maintenance support (DS and GS initially, with unit-level as of 25 Nov 03); packaging, crating and handling; and distribution (Central Receiving Point) to Fort Knox on 4 Feb 03.

3.2 Mission Transfer: Decision on whether missions included in the FMI pilot program will be permanently transferred to TACOM or remain with USAARMC is expected to be made by the commanders of TRADOC and AMC, and Director, IMA in September 2004. USAARMC and TACOM commanders will be prepared to make recommendations in support of those decisions.

4. Roles and Responsibilities.

Fort Knox:

G-4/Director of Resource Management

- In-Coordination-With (ICW) Fort Knox Garrison Command and TACOM; develop and negotiate Performance Base Logistics (PBL) arrangements.
- Provide oversight of negotiated metrics to support PBL arrangements
- Document performance of negotiated PBL metrics.
- If the final decision results in a transfer of functions and ICW Fort Knox Garrison Command and TACOM, assists in the planning, preparation, development, and coordination of appropriate mission transfer documentation.

Garrison Command:

1) Director, Base Operations Support:

- ICW Fort Knox G-4/DRM and TACOM, develop and negotiate PBL arrangements.
- Provide oversight of negotiated metrics to support PBL arrangements.
- Document performance of negotiated PBL metrics.
- If the final decision results in a transfer of function, ICW the Fort Knox G-4/DRM and TACOM assists in the planning, preparation, development, and coordination of appropriate mission transfer documentation.

2) CPAC:

ICW G-4/DRM and TACOM, provides civilian personnel support to individuals placed under the operational control of TACOM during the FMI Pilot Program.

3) DPTM

- Provides oversight of negotiated PBL arrangements with respect to determining success of COO #1 - Were training requirements met?
- Areas requiring input are range and training area availability, scheduling, and availability and serviceability of TADSS (e.g.: MHES, simulators, targets and lifters).

TACOM:

1) Chief, Ground Systems Materiel Management Center (GMMC)

- ICW Fort Knox G-4/DRM and Fort Knox Garrison Command activities located at Fort Knox; develop and negotiate PBL arrangements.
- Provide oversight of negotiated metrics to support PBL arrangements.
- Document performance of negotiated PBL metrics.
- If the final decision results in a transfer of function and ICW IMA activities located at Fort Knox and TACOM, assists in the planning, preparation, development, and coordination of appropriate mission transfer documentation.

2) Chief, AMC Materiel Management Center (AMMC):

- Assist in providing oversight of negotiated PBL arrangements.
- Assist in documenting performance of negotiated metrics to support PBL arrangements.

5. **Critical Operating Objectives (COOs).** The COOs are:

- Were training requirements satisfied?
- Did the readiness condition of the fleet improve?
- Did the cost of doing business decrease or remain constant?

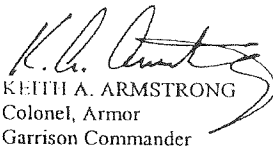
6. **Metrics and Criteria for Success.** The metrics and criteria for success were approved by CG, USAARMC and CG, TACOM on 17 Jul 03. (See Appendix A)

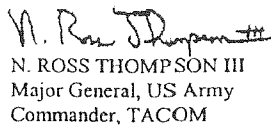
7. **Assessments.** The standard assessment ratings are:

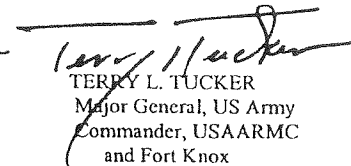
- Green = No significant issues exist that would prevent full implementation; pilot objectives being met.
- Amber = Significant issues exist, but get-well plan will allow solution to be put in place and validated before full Implementation
- Red = Showstoppers exist that will prevent full implementation.
- N/A = No applicable comments to this measure or insufficient data is available.

8. **Contingency Agreement.** This agreement, including the Criteria for Success contained at Appendix A, is subject to change or cancellation upon agreement by the signing partners indicated below.

9. **Execution of Agreement.** It is understood that HQ TRADOC will host periodic reviews of the status of this FMI pilot program that will include HQ AMC and HQ IMA.


KEITH A. ARMSTRONG
Colonel, Armor
Garrison Commander


N. ROSS THOMPSON III
Major General, US Army
Commander, TACOM


TERRY L. TUCKER
Major General, US Army
Commander, USAARMC
and Fort Knox

26 November 2003

Appendix A: Metrics and Criteria for Success.

COO 1 Were Training Requirements Satisfied?

- Requirement: 100% of equipment for the training mission was provided on time. Non-POI equipment was provided on time as tasked. Equipment provided with the following stipulations:
 - Resources for training are scheduled initially for MAX fill.
 - Installation provides initial training requirements at least 1 Quarter prior to the start date of the training event.
 - Customers do not increase equipment requirements less than 45 days out.

COO 2: Did the readiness condition of the fleet improve?

- Maintain vehicle and equipment fleet at the 10/20 standard for equipment issued for training with a minimum goal of 90% OR rate for fleets listed below. Minimum OR rate by fleet type below the 90% goal is a 5% improvement to the historical OR rate (Feb 02 – Jan 03 as indicated below). Fleet type whose historical OR rate is above 90% should remain at or above the 90% OR rate. Specific fleet types to be monitored:
 - M1A1: Maintain monthly OR rate of 84% or better. OR rate will not drop below 84% for three consecutive months w/o justification. (Historical OR rate = 79%)
 - M1A2: Maintain monthly OR rate of 90% or better. OR rate will not drop below 90% for three consecutive months w/o justification. (Historical OR rate = 93%)
 - M3: Maintain monthly OR rate of 90% or better. OR rate will not drop below 90% for three consecutive months w/o justification. (Historical OR rate = 91%)
 - M88A1: Maintain monthly OR rate of 90% or better. OR rate will not drop below 90% for three consecutive months w/o justification. (Historical OR rate = 89%)
 - M88A2: Maintain monthly OR rate of 76% or better. OR rate will not drop below 76% for three consecutive months w/o justification. (Historical OR rate = 71%)
 - HMMWV: Maintain monthly OR rate of 90% or better. OR rate will not drop below 90% for three consecutive months w/o justification. (Historical OR rate = 90%)
 - HEMMT: Maintain monthly OR rate of 86% or better. OR rate will not drop below 86% for three consecutive months w/o justification. (Historical OR rate = 81%)
 - HET Tractor fleet: Maintain monthly OR rate of TBD (metric will be determined when fleet is back in use). OR rate will not drop below TBD for three consecutive months w/o justification.

- HET Trailer fleet: Maintain monthly OR rate of TBD (metric will be determined when fleet is back in use). OR rate will not drop below TBD for three consecutive months w/o justification.
- Class IX, Customer Wait Time: Class IX CWT (all priorities all sources) will not exceed current Fort Knox average of 9 days. Class IX CWT will not exceed 9 days for three consecutive months without justification. DA goal is 10 days.

COO 3: Did the cost of doing business decrease or remain constant?

- Class IX and Supply Demand History –obligations. Reported in three groupings -- DS/GS, 1st ATB, and 16th CAV. Source: ILAP and STANFINS
 - Class IX and supply obligations are consistent with or less than historical trends normalized for price and credit rate changes. No unexplained increases.
- Contract and Most Efficient Organization (MEO) – actual cost in comparison to work hours and workload in ACSS contract and Unit Level Maintenance PWS/MEO. Reported in two groupings -- DS/GS and ULM (Unit Level Maintenance). Source: STANFINS, ULM PWS/Management Study, and ACSS Contractor Reports.
 - Costs are equal to or less than contract and MEO baselines adjusted for authorized workload changes. No unexplained increases.
- Overhead and Admin Costs (USAARMC Governmental in Nature Staff Cost) – obligation reported by pay and other. Source: STANFINS.
 - Costs are equal to or less than budget identified for pilot.